

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA
SOUTHWESTERN DIVISION**

United States of America,)	
)	
Plaintiff,)	ORDER ADOPTING STIPULATION
)	AND DISTRIBUTING SURPLUS
v.)	FUNDS
)	
Virginia L. Lee; United Accounts, Inc., a)	
Corporation; State of North Dakota; and)	Case No. 4:05-cv-056
G.W. Petersen;)	
)	
Defendants.)	

On April 4, 2005, the Government filed suit seeking to foreclose on real property mortgaged to the Government. On August 23, 2005, default judgment was entered against Virginia L. Lee in this federal foreclosure case regarding mortgaged real property in Ward County, North Dakota. The property was sold at a Marshal's sale on October 27, 2005. On December, 5, 2005, the Government entered a satisfaction of judgment. On December 6, 2005, the Government sent a notice of surplus sale proceeds to defendants Virginia L. Lee, United Accounts Inc., the State of North Dakota by Job Service North Dakota, and G.W. Peterson. Surplus sale proceeds in the amount of \$3,878.47 have been deposited with the Clerk of the United States District Court in Bismarck. The Court has since received two applications for release of funds. On December 16, 2005, United Accounts Inc., filed an application for release of funds in the amount of \$2,641. 73.¹ On December 27, 2005, the State

¹United Accounts, Inc. has two judgments against Virginia L. Lee. On April 24, 1990, in Ward County Civil No. 90-C-131, United Accounts, Inc. obtained a judgment for \$464.00 with interest at a rate of 12% per annum. This judgment was renewed on April 18, 2000. On September 14, 1994, United Accounts, Inc. obtained a judgment in Ward County Civil No. 94-C-1135 against Virginia L. Lee in the amount of \$555.91 with interest at a rate of 12% per annum. This judgment was renewed on August 28, 2004.

of North Dakota by Job Service North Dakota filed an application for release of funds in the amount of \$1,037.71.²

On February 1, 2006, the Court set a hearing for March 6, 2006, to determine the appropriate disbursement of the remaining funds. The hearing was subsequently re-scheduled for March 21, 2006.

On March 20, 2006, Virginia Lee, United Accounts Inc., and the State of North Dakota by Job Service North Dakota, entered into a stipulation which provided:

1. United Accounts, Inc., will be paid the sum of its original judgments in the total amount of \$1,019.91 and shall waive its claim to any accrued interest. Upon receipt of payment, United Accounts, Inc., will file satisfactions of the judgment in Ward County, North Dakota, against defendant Virginia L. Lee.
2. Job Service of North Dakota will be paid its original judgment in [the] amount of \$497.92 and shall waive its claim to any accrued interest. Upon receipt of payment, Job Service North Dakota will file a satisfaction of its judgment in Ward County, North Dakota, against defendant Virginia L. Lee.
3. The balance remaining from the surplus deposited funds of \$3,878.47 in the amount of \$2,360.64 shall be paid to defendant Virginia L. Lee.

See Docket No. 21.

The remaining party, G.W. Peterson,³ had not filed an application for the release of funds and did not appear at the hearing scheduled for March 21, 2006. The Court finds that G.W. Peterson has waived any right to the surplus funds by failing to make an application for such funds and by failing to appear at the hearing scheduled for March 21, 2006.

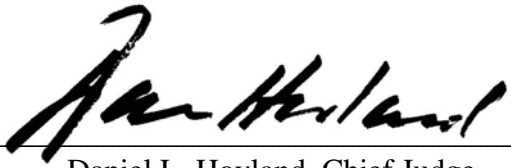
²The State of North Dakota by Job Service North Dakota obtained a judgment in Ward County Civil No. 93-0245 against Virginia L. Lee on March 8, 1993, in the amount of \$497.92 with interest at a rate of 12% per annum. This judgment was renewed on February 20, 2003.

³According to the complaint, G.W. Peterson entered a judgment against Virginia Lee on June 22, 1999, in Ward County, North Dakota, in the amount of \$2,387.83. See Docket No. 1.

The Court **ADOPTS** the stipulation of Virginia Lee, United Accounts Inc. and the State of North Dakota by Job Service North Dakota. (Docket No. 21). The Court directs the Clerk of Court to release the surplus funds held in the local registry account, as follows: \$1,019.91 to United Accounts, in care of William C. Severin, Severin & Ringsak, 411 N. 4th St., Bismarck, ND 58501; \$497.92 to the State of North Dakota by Job Service North Dakota, in care of Douglas B. Anderson, Assistant Attorney General, State of North Dakota, 500 North 9th St., Bismarck, ND 58501-4509; and \$2,360.64 to Virginia L. Lee, 106 Soo Street, Burlington, ND 58722.

IT IS SO ORDERED.

Dated this 21st day of March, 2006.



Daniel L. Hovland, Chief Judge
United States District Court